

Message Text

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PAGE 01 BRUSSE 18719 01 OF 02 160100Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-12 FRB-01 INR-07 IO-14 NEA-10 NSAE-00 USIA-15
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INFO ALL EC CAPITALS

UNCLAS SECTION 01 OF 02 BRUSSELS 18719

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SUBJ: EUROPEAN PARLIAMENT DISCUSSES THE RESULTS OF THE
EUROPEAN COUNCIL MEETINGS OF DECEMBER 5-6, 1977
REF: (A) BRUSSELS 18143 (B) BRUSSELS 17971
(C) BRUSSELS 18158

1. SUMMARY: THE EUROPEAN PARLIAMENT (EP) DEVOTED ALMOST
ENTIRE DAY OF DECEMBER 14 TO DISCUSSION OF ORAL REPORT ON
DECEMBER 5-6 EUROPEAN COUNCIL MEETING SUBMITTED BY
BELGIAN FOREIGN MINISTER SIMONET IN HIS CAPACITY AS EC
COUNCIL PRESIDENT. IN ADDITION TO REVIEWING THE RESULTS
OF THE EUROPEAN COUNCIL (REFTELS) SIMONET GAVE AN
ASSESSMENT OF BELGIUM'S PERFORMANCE DURING ITS SIX MONTHS
AS EC COUNCIL PRESIDENT. AFTER REVIEWING ACHIEVEMENTS,
HE CITED PROBLEM AREAS STILL FACING EC, NOTABLY EUROPE'S
MONETARY DIFFICULTIES, WHICH HE ASCRIBED TO A CON-
SIDERABLE EXTENT TO U.S. "NON POLICY" WITH RESPECT TO THE
CURRENT FLUCTUATION OF THE DOLLAR (SEPTTEL). EC COMMISSION
PRESIDENT JENKINS FOLLOWED SIMONET WITH FAVORABLE COMMENT
ON THE OUTCOME OF THE EUROPEAN COUNCIL MEETING. THE EP
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PAGE 02 BRUSSE 18719 01 OF 02 160100Z

GENERALLY WELCOMED EUROPEAN COUNCIL DECISIONS BUT
EXPRESSED SOME DISAPPOINTMENT THAT A DATE FOR DIRECT
ELECTIONS TO THE EP HAD NOT BEEN FIXED AND THAT THE
SUMMIT HAD FAILED TO ADDRESS SUCH OTHER IMPORTANT ISSUES
OF THE DAY AS EC ENLARGEMENT. END SUMMARY.

2. WITHBELGIUM'S TERM AS EC COUNCIL PRESIDENT COMING TO

AN END DECEMBER 31, BELGIAN FONMIN SIMONET MADE HIS VALEDICTORY SPEECH TO THE EP AS HE REPORTED ON THE RESULTS OF THE EUROPEAN COUNCIL MEETING RECENTLY HELD IN BRUSSELS. IN REVIEWING THE EUROPEAN COUNCIL'S DELIBERATIONS, SIMONET OBSERVED THAT THE COMMUNITY'S OBJECTIVE OF REACHING ECONOMIC AND MONETARY UNION (EMU) HAD RECEIVED WIDE SUPPORT AND THAT, INDEED, MOVEMENT IN THAT DIRECTION WAS CONSIDERED ESSENTIAL IF THE COMMUNITY'S SHORT-TERM GOAL OF 4-4-1/2 PERCENT ECONOMIC GROWTH IS TO BE ACHIEVED. SIMONET PRAISED EC COMMISSION PRESIDENT JENKINS FOR TAKING THE INITIATIVE ON EMU AND THE COMMISSION FOR ASSUMING A MORE ACTIVIST ROLE GENERALLY IN THE MAKING OF COMMUNITY POLICY. SIMONET ALSO OUTLINED THE EUROPEAN COUNCIL'S SHORT-TERM OBJECTIVES: REINFORCED COORDINATION OF MEMBER STATE ECONOMIC POLICIES, REINFORCED MONETARY COHESION THROUGH ADJUSTMENT OF SHORT AND MEDIUM TERM CREDIT MECHANISMS, DEVELOPMENT OF EC FINANCIAL MEANS THROUGH CREATION OF A NEW COMMUNITY BORROWING AND LOAN INSTRUMENT, AND DEVELOPMENT OF COMMUNITY SOLUTIONS TO STRUCTURAL PROBLEMS, PARTICULARLY IN THE STEEL, TEXTILES, AND SHIP-BUILDING SECTORS (REF B). HE NOTED THAT THE EC COUNCIL OF MINISTERS WILL ON DECEMBER 19 CONSIDER THE STEEL PROBLEM.

3. SIMONET THEN OBSERVED THAT THE EUROPEAN COUNCIL HAD CLEARED THE WAY FOR THE INTRODUCTION OF THE EUROPEAN UNIT
UNCLASSIFIED

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PAGE 03 BRUSSE 18719 01 OF 02 160100Z

OF ACCOUNT (EUA) FOR THE 1978 COMMUNITY BUDGET, AND DESCRIBED THE AGREEMENT REACHED ON ARTICLE 131 OF THE ACCESSION TREATY (REF C). SIMONET FURTHER REVIEWED THE EUROPEAN COUNCIL'S COMPROMISE DECISION ON THE REGIONAL FUND, ITS INCONCLUSIVE DISCUSSION OF A DATE FOR DIRECT ELECTIONS TO THE EP, ITS AGREEMENT IN PRINCIPLE ON THE ESTABLISHMENT OF THE EUROPEAN CULTURAL FOUNDATION, AND ITS AGREEMENT THAT FURTHER CONSIDERATION SHOULD BE GIVEN TO THE POSSIBILITY OF EXPANDING THE COMMISSION'S ROLE IN MANAGEMENT OF DAY-TO-DAY COMMUNITY BUSINESS UNDER ARTICLE 155 OF THE ROME TREATY.

4. TURNING TO ASSESSMENT OF THE BELGIAN EC PRESIDENCY OF THE LAST SIX MONTHS, SIMONET LISTED AS ACHIEVEMENTS: THE SUCCESSFUL CONCLUSION OF THE SIXTH VAT DIRECTIVE; DECISION ON SITING OF THE JOINT EUROPEAN TORUS; THE PURSUIT OF AN ACTIVE POLICY ON EXTERNAL ECONOMIC RELATIONS WHICH LED IN PARTICULAR TO EC-CHINA READINESS TO OPEN NEGOTIATIONS ON A FRAMEWORK TRADE AGREEMENT; AGREEMENT ON COMMUNITY REPRESENTATION AT WESTERN ECONOMIC SUMMITS; AND A MORE ACTIVE POLICY TOWARD AFRICA IN THE AREA OF POLITICAL COOPERATION. ON THE NEGATIVE SIDE, HE ACKNOWLEDGED THERE

HAS BEEN LITTLE PROGRESS IN REACHING A COMMON COMMUNITY ENERGY POLICY. IN THIS CONNECTION, HE OBSERVED THAT DESPITE THE OIL SURPLUSES THAT NOW EXIST IN WESTERN EUROPE, BECAUSE OF ECONOMIC RECESSION, EUROPE CANNOT LIVE WITH ANY ADDITIONAL INCREASE IN OIL PRICES, SINCE THE CURRENT ABUNDANCE IS LIKELY TO BE SHORT LIVED. DESPITE THE SUCCESSES HE THOUGHT COMMUNITY HAD RECENTLY ACHIEVED, SIMONET SAID THAT FOUR FUNDAMENTAL PROBLEMS STILL REMAIN TO BE MET: (1) THE CONTINUING ECONOMIC CRISIS CAN ONLY BE OVERCOME BY A POLICY OF STRONG ECONOMIC GROWTH; (2) THE THREAT OF PROTECTIONISM SHOULD BE AVOIDED AT ALL COSTS SO THAT THE COMMUNITY'S ACHIEVEMENTS TO DATE CAN BE

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PAGE 01 BRUSSE 18719 02 OF 02 160100Z
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R 151952Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 3793
INFO ALL EC CAPITALS

UNCLAS SECTION 02 OF 02 BRUSSELS 18719

MAINTAINED; (3) THERE SHOULD BE COMMUNITY ACTION TO OVERCOME THE MONETARY DIFFICULTIES DERIVED FROM THE DISASTROUS FLUCTUATIONS OF THE DOLLAR DUE LARGELY TO U.S. "NON-POLICY" IN THIS AREA. IN THIS CONNECTION, THE EUROPEAN MONETARY SNAKE MUST BE MAINTAINED AND THE EC MUST RELAUNCH THE DRIVE TOWARD MONETARY UNION; AND (4) EUROPE SHOULD MAKE EVERY EFFORT TO ENSURE THE SUCCESS OF THE NORTH/SOUTH DIALOGUE, WHICH IS NOW FLOUNDERING.

5. IN GIVING HIS ASSESSMENT OF THE EUROPEAN COUNCIL'S MEETING, COMMISSION PRESIDENT JENKINS EXPRESSED HIS SATISFACTION AT ITS OUTCOME, NOTING THAT THAT BODY HAD SETTLED ONE OR TWO POTENTIALLY DANGEROUS ISSUES, IN PARTICULAR THE QUESTION OF INTERPRETATION OF ARTICLE 131. HE FURTHER EXPRESSED HIS GRATITUDE AT THE FAVORABLE CONSIDERATION GIVEN EMU BY THE COUNCIL AND RECALLED SOME OF THE MAJOR ARGUMENTS NECESSITATING EMU'S RESUSCITATION--

I.E., INCREASING UNEMPLOYMENT; EC ENLARGEMENT AND THE NEED FOR THE COMMUNITY TO REMAIN STRONG DESPITE ENLARGEMENT; AND THE DISREPAIR OF THE WORLD MONETARY SYSTEM.

6. TURNING TO EC RELATIONS WITH JAPAN, JENKINS SAID THERE IS A NEED TO ESTABLISH EC-JAPANESE LINKS SIMILAR TO THOSE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 18719 02 OF 02 160100Z

WHICH EXIST BETWEEN THE EC AND THE U.S. AND JAPAN AND THE U.S. HE NOTED, HOWEVER, THAT CONCERN OVER THE HUGE JAPANESE BALANCE OF PAYMENTS SURPLUS POSES A STUMBLING BLOCK TO THE STRENGTHENING OF COMMUNITY TIES WITH JAPAN. AT THE SAME TIME, HE ANNOUNCED HE WOULD MEET WITH JAPANESE MINISTER USHIBA DECEMBER 16 TO CONTINUE DISCUSSIONS OF MEASURES THE GOJ MIGHT BE WILLING TO TAKE TO RECTIFY THE CURRENT SITUATION.

7. PARLIAMENTARIANS FROM ALL POLITICAL GROUPS PRAISED SIMONET FOR HIS PERFORMANCE AS COUNCIL PRESIDENT AND WELCOMED HIS REPORT ON THE WORK OF THE EUROPEAN COUNCIL. NEVERTHELESS, A FEW EXPRESSED SOME DISSATISFACTION AT COUNCIL RESULTS. SOME MP'S FELT (LIKE SOME MEMBERS OF THE EUROPEAN COUNCIL ITSELF, REF A) THAT THE SUMMIT SHOULD NOT HAVE HAD TO TAKE UP MATTERS THAT SHOULD HAVE MORE PROPERLY BEEN SETTLED AT THE FOREIGN MINISTERS LEVEL. ALSO, A FEW EXPRESSED VIEW THAT SUMMIT'S DECISIONS WERE NOT FAR REACHING ENOUGH, AND CRITICIZED THE NINE HEADS OF GOVERNMENT FOR NOT HANDLING SUCH PROBLEMS AS ENLARGEMENT, EC'S RELATIONS WITH TURKEY, AND OTHER IMPORTANT ISSUES WHICH REQUIRE URGENT HIGH LEVEL ACTION. A NUMBER EXPRESSED DISAPPOINTMENT AT THE EUROPEAN COUNCIL'S FAILURE TO FIX A DATE FOR DIRECT ELECTIONS AND URGED IMMEDIATE ACTION ON THIS SCORE. IN CONCLUDING DEBATE ON HIS REPORT, SIMONET REPEATED THE EUROPEAN COUNCIL'S AND EC COUNCIL'S DETERMINATION TO MEET CURRENT SHORT TERM ECONOMIC DIFFICULTIES. HE FURTHER INDICATED THAT THE EC COUNCIL WILL ADDRESS THE QUESTION OF FIXING A DATE FOR DIRECT ELECTIONS IN JANUARY, AFTER THE U.K. HAS HAD TIME TO REFLECT ON THE RESULTS OF THE VOTE TAKEN IN THE HOUSE OF COMMONS THIS WEEK ON THIS ISSUE. HINTON

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